MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2210)

BMR3094 MARKETING IN SERVICE INDUSTRY

(All sections / Groups)

17 FEBRUARY 2023
9.00 a.m. – 11 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 3 pages with 5 Questions only.

2. Attempt **TWO QUESTIONS in section A and ALL QUESTIONS in Section B**. All questions carry equal marks, and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

SECTION A

ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION 1

Servicescape is said to have a huge impact on customer perceptions and expectations.

a. What is Serviscape?

(5 Marks)

b. Briefly discuss the statement above and relate your answer to high and low-contact service settings.

(20 Marks)

(Total: 25 marks)

QUESTION 2

a. List and explain THREE (3) reasons why services are more complex for customers to evaluate than goods.

(9 Marks)

b. Briefly explain the "Russell's Model of Affect."

(7 Marks)

c. Using TWO (2) examples, describe how the "Russell's Model of Affect" can be used in a service setting.

(9 Marks)

(Total: 25 marks)

QUESTION 3

Using the "flower of service" concept, discuss how an acceptable value proposition for a sērvice could be created.

(Total: 25 Marks)

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SECTION B

ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION 1

The management of a hotel is reviewing the result of their customer satisfaction survey. The result is puzzling as they did very well on all scores except product performance. The summary of the results is as illustrated below:

Item	Score (1= poor/low satisfaction, 7= excellent/very high satisfaction)
Facilities meeting customers' requirements	6
Staff service performance	6
Staff willingness to give prompt service	7
Staff credibility	6
Environment safety	6
Staff competency	7
Staff courtesy	6
Approachability of staff	6
Easy to communicate with staff	6
Staff understand the customer	6
Product meeting expectation	3

a. Using the concepts of customer satisfaction and service quality (SERVQUAL), explain why the variation in results is observed.

(8 Marks)

b. Identify the problematic GAPs (which GAPs) and suggest five actions that can be taken to remedy the problems.

(17 Marks)

(Total: 25 marks)

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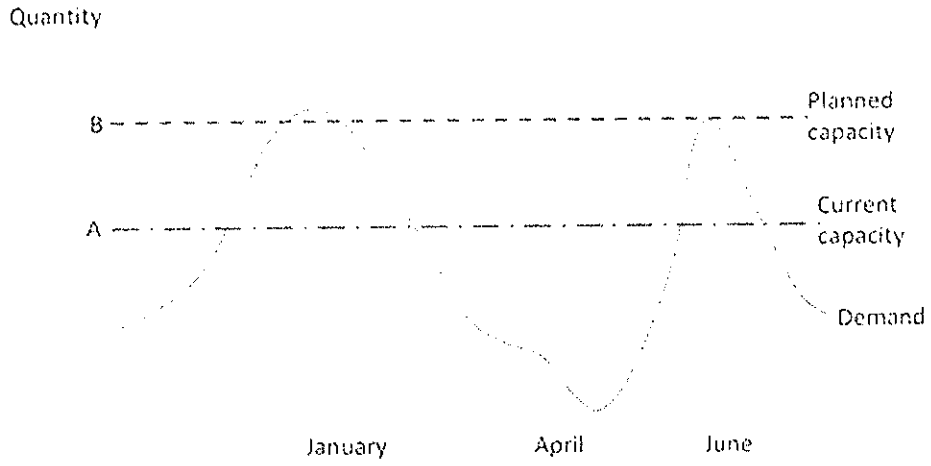
QUESTION 2.

The illustration below shows that a service business is operating at current capacity A and is facing cyclical demand. A long-run analysis reveals that, typically, the business faces excess demand situations in January and June. The company needs help to make sales in April and towards the end of the year, despite various initiatives taken.



a. The company management plans to make a long-term investment to increase the business capacity to **planned capacity B.** This move will increase operational overheads and other costs by 75 percent. Will you recommend that the management commit to this move? State your reasonings.

(5 Marks)

b. If the management decides to maintain the long-run capacity at level A, what can the management do to overcome the problems of excess demand? Give 5 suggestions.

(10 Marks)

c. A young executive noted that the product offered by the company is suitable for price customisation, but it requires effective rate fence management. What are the two rate fence types available for business? Give two examples for each rate fence type.

(10 Marks)

(Total: 25 marks)

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